

File

OMB NO. 0938-0001

HEALTH CARE FINANCING ADMINISTRATION

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: <u>9 5 0 1 7</u>	2. STATE: RHODE ISLAND
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE JULY 1, 1995	

REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

TYPE OF PLAN MATERIAL (Check One):

- ☐ NEW STATE PLAN      ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN      ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

FEDERAL STATUTE/REGULATION CITATION: 42CFR447.331	7. FEDERAL BUDGET IMPACT: a. FFY 1995 \$[500,000] b. FFY 1996 \$[2,000,000]
PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: ATTACHMENT 4.19B, page 2;	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): ATTACHMENT 4.19B, page 2 (dated effective 1/1/95 pending approval).

SUBJECT OF AMENDMENT:

Pharmacy Reimbursement

GOVERNOR'S REVIEW (Check One):

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED

SEE ATTACHED LETTER.

NATURE OF STATE AGENCY OFFICIAL:

PRINTED NAME

CHRISTINE C. FERGUSON

DIRECTOR

DATE RECEIVED

CHRISTINE C. FERGUSON

DIRECTOR

DEPARTMENT OF HUMAN SERVICES

600 NEW LONDON AVENUE

CRANSTON, RHODE ISLAND 02920

DATE SUBMITTED:

SEPTEMBER 26, 1995

**FOR REGIONAL OFFICE USE ONLY**

DATE RECEIVED: <u>9-29-95</u>	18. DATE APPROVED <u>6-6-01</u>
PLAN APPROVED, ONE COPY ATTACHED	
EFFECTIVE DATE OF APPROVED MATERIAL: <u>7-1-95</u>	20. SIGNATURE OF REGIONAL OFFICIAL: Ronald Preston <i>[Signature]</i>
PRINTED NAME	22. TITLE: Associate Regional Administrator

DATE

- (2) Early, periodic screening, diagnosis and treatment of individuals under 21 years of age: on the basis of negotiated fee schedule.
  - (3) Family planning services, drugs and supplies for individuals of child-bearing age when such services are under the supervision of a physician, as determined according to the elements inherent in the family planning service or the drugs and contraceptive devices necessary: on the basis of negotiated physician fee schedule and the pharmacy fee schedule.
- e. Physicians' services: on the basis of negotiated fee schedule.
- f. Medical care of any other type of remedial care recognized under State law furnished by licensed practitioners within the scope of their practice as defined by law limited to:
  - (1) Podiatry services: on the basis of a negotiated fee schedule.
  - (2) Optometry services: on the basis of a negotiated fee schedule.
- g. Home Health services: on the basis of a fixed fee schedule.
- h. Dental services: on the basis of a negotiated fee schedule.
- i. Prescribed drugs, dentures, prosthetic devices, and eyeglasses prescribed by a physician skilled in diseases of the eye or by the optometrist, whichever the individual may select.
  - (1) The cost of drugs as determined by the drug product allowance established by the HCFA Upper Payment Limits plus a reasonable professional Dispensing Fee; the drug product allowance established by the State Upper Payment Limits plus a reasonable Dispensing Fee; the estimated acquisition cost (which shall be the manufacturer's reported Wholesale Acquisition Cost plus a 5% markup) for all other drugs plus a reasonable Dispensing Fee; or the usual and customary charge to the general public (to include all discounts such as senior citizen discounts, or if lower, the amount reimbursed by other third party payors), whichever is lower. In those instances in which the drug product allowance is less than the established HCFA Upper Payment Limits and for those drug products which the State agency has established the Upper Payment Limits the drug allowance represents the lowest cost at which the product is generally available at a local level to the community pharmacies.

A professional Dispensing Fee of \$3.40 per prescription for medication dispensed to recipients residing at home will be allowed for legend prescription drugs in addition to the allowable cost of the drug.

A professional Dispensing Fee of \$2.85 per prescription for medication dispensed to recipients residing in licensed Nursing and Intermediate Care Facilities for the Mentally Retarded will be allowed for legend prescription drugs in addition to the allowable cost of the drug.

Reimbursement for over-the-counter items is based upon the lowest of the drug product allowance plus the professional Dispensing Fee, the allowable cost of the drug plus a 50% markup or the usual and customary charge to the general public, but not less than a \$1.50 minimum charge per prescription.
  - (2) Dentures: on the basis of a negotiated fee schedule.
  - (3) Surgical and prosthetic devices: all payments are made for covered